



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	913 866 053
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	RESMAN HOLDING 1 AS
Forretningsadresse:	Strindfjordvegen 1 7053 RANHEIM

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Gunnar Hviding
Dato for fastsettelse av årsregnskapet:	18.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 07.08.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Other operating expenses	8	375 523	720 157
Sum kostnader		375 523	720 157
Driftsresultat		-375 523	-720 157
Finansinntekter og finanskostnader			
Financial income	10	270 874	121 620
Sum finansinntekter		270 874	121 620
Netto finans		270 874	121 620
Ordinært resultat før skattekostnad			
Income tax expense	11	-23 023	-131 678
Ordinært resultat etter skattekostnad		-81 626	-466 859
Årsresultat		-81 626	-466 859
Overføringer og disponeringer			
Attributable to the equity holders of the company		-81 626	-466 859
Sum overføringer og disponeringer		-81 626	-466 859



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	11	843 003	819 980
Sum immaterielle eiendeler		843 003	819 980
Finansielle anleggsmidler			
Investering i datterselskap	6	655 411 971	655 411 971
Sum finansielle anleggsmidler		655 411 971	655 411 971
Sum anleggsmidler		656 254 974	656 231 951
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	7	12 391 350	11 795 856
Sum fordringer		12 391 350	11 795 856
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	17,20	7 163 005	7 886 330
Sum bankinnskudd, kontanter og lignende		7 163 005	7 886 330
Sum omløpsmidler		19 554 355	19 682 186
SUM EIENDELER		675 809 329	675 914 137
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	21	14 683 765	14 683 765
Beholdning av egne aksjer		-22 567	-22 567
Overkurs		1 548 393 097	1 548 393 097
Sum innskutt egenkapital		1 563 054 295	1 563 054 295



Balanse

Beløp i: NOK	Note	2023	2022
Opptjent egenkapital			
Udekket tap		887 249 898	887 168 273
Sum opptjent egenkapital		-887 249 898	-887 168 273
Sum egenkapital		675 804 397	675 886 022
Gjeld			
Langsiktig gjeld			
Utsatt skatt	11		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	16,17, 22		
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	16,17, 24	4 933	28 114
Kortsiktig konserngjeld	7		
Sum kortsiktig gjeld		4 933	28 114
Sum gjeld		4 933	28 114
SUM EGENKAPITAL OG GJELD		675 809 330	675 914 136



Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Revenue	4	318 782 871	239 110 545
Sum inntekter		318 782 871	239 110 545
Kostnader			
Cost of materials		82 656 960	55 956 922
Salary and personnel expenses	9	119 743 572	103 241 518
Depreciation and amortisation	12,13, 14	50 159 102	49 694 085
Other operating expenses	8	53 458 050	61 609 557
Sum kostnader		306 017 684	270 502 082
Driftsresultat		12 765 187	-31 391 537
Finansinntekter og finanskostnader			
Financial income	10	12 501 205	10 593 421
Sum finansinntekter		12 501 205	10 593 421
Financial expenses	10	15 338 396	14 276 415
Sum finanskostnader		15 338 396	14 276 415
Netto finans		-2 837 191	-3 682 994
Ordinært resultat før skattekostnad		9 927 996	-35 074 531
Income tax expense	11	1 714 101	-4 090 578
Ordinært resultat etter skattekostnad		8 213 895	-30 983 953
Årsresultat		8 213 895	-30 983 953
Translation differences that may be reclassified to profit or loss		556 028	2 835 834
Sum resultatkomponenter for IFRS-foretak		556 028	2 835 834
Totalresultat		8 769 923	-28 148 119
Overføringer og disponeringer			
Attributable to the equity holders of the company		8 769 923	-28 148 120



Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
Sum overføringer og disponeringer		8 769 923	-28 148 120



Konsernets balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Other intangible assets	14,15	102 770 187	123 016 525
Utsatt skattefordel	11	863 716	1 562 541
Goodwill	14,15	63 475 961	63 475 961
Sum immaterielle eiendeler		167 109 864	188 055 027
Varige driftsmidler			
Right-of-use assets	13	22 501 390	23 477 887
Propert,plant and equipment	12,22	8 783 019	7 269 162
Sum varige driftsmidler		31 284 409	30 747 049
Finansielle anleggsmidler			
Investering i datterselskap	6		
Sum anleggsmidler		198 394 273	218 802 076
Omløpsmidler			
Varer			
Inventories	18,22	61 743 409	49 466 055
Sum varer		61 743 409	49 466 055
Fordringer			
Trade receivables	5,16,1 7	77 437 665	72 104 525
Unbilled receivables	5	26 535 575	4 573 721
Contract assets	5	66 563 119	29 296 963
Forward currency contracts	16,17	1 842 300	
Other short-term receivables	19	12 677 351	11 334 903
Sum fordringer		185 056 010	117 310 112
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	17,20	17 100 195	21 632 034
Sum bankinnskudd, kontanter og lignende		17 100 195	21 632 034



Konsernets balanse

Beløp i: NOK	Note	2023	2022
Sum omløpsmidler		263 899 614	188 408 201
SUM EIENDELER		462 293 887	407 210 277
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	21	14 683 765	14 683 765
Beholdning av egne aksjer		-65 467	-65 467
Sum innskutt egenkapital		14 618 298	14 618 298
Opptjent egenkapital			
Udekket tap		-208 867 157	-200 097 231
Sum opptjent egenkapital		208 867 157	200 097 231
Sum egenkapital		223 485 455	214 715 529
Gjeld			
Langsiktig gjeld			
Utsatt skatt	11		2 191 021
Sum avsetninger for forpliktelser			2 191 021
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	16,17, 22	102 901 645	81 316 876
Langsiktig konserngjeld	7	42 423 656	
Lease liabilities	13,16, 17,22	15 458 944	15 913 243
Sum annen langsiktig gjeld		160 784 245	97 230 119
Sum langsiktig gjeld		160 784 245	99 421 140
Kortsiktig gjeld			
Lease liabilities	13,16, 17,24	7 801 817	8 041 989
Leverandørgjeld	16,17, 24	29 618 868	22 304 828



Konsernets balanse

Beløp i: NOK	Note	2023	2022
Income tax payable	11	251 932	124 475
Public duties payable		5 845 771	5 837 978
Kortsiktig konserngjeld			42 423 656
Contract liabilities	5	1 205 231	1 020 890
Other current liabilities	24	33 300 567	13 319 794
Sum kortsiktig gjeld		78 024 186	93 073 610
Sum gjeld		238 808 431	192 494 750
SUM EGENKAPITAL OG GJELD		462 293 886	407 210 279



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	29.05.2018	11.06.2018
Telefon	Deres referanse	Vår referanse
90076012	Marianne Sannes	2018/712545

SPAREBANK 1 REGNSKAPSHUSET SMN AS
Postboks 4799 Thorgaard
7467 TRONDHEIM

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 29. mai 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskap:

- Resman Holding 1 AS, org.nr. 913 866 053
- Resman AS, org.nr. 988 300 233

Skattedirektoratet gir på bakgrunn av en konkret vurdering ovenstående selskap dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Resman Holding 1 AS eier gjennom Resman Holding 2 AS, Resman AS. Hovedaksjonær i Resman Holding 1 AS holder til i Luxembourg og Jersey. Resman AS er morselskap til flere utenlandske datterselskap, driver i offshorebransjen og retter seg mot internasjonale kunder. Selskapene har utenlandske styremedlemmer.

En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	skatteetaten.no/sendepost	



forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er et konsern der hovedaksjonæren er utenlandsk. Videre er det vektlagt at flere styremedlemmer er utenlandske, og at bransjen er internasjonal hvor aktørene anses å beherske engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



To the General Meeting of Resman Holding 1 AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Resman Holding 1 AS, which comprise:

- the financial statements of the parent company Resman Holding 1 AS (the Company), which comprise the statement of financial positions - assets as at 31 December 2023, equity and liabilities as at 31 december 2023, the statement of comprehensive income, statement of changes in equity (parent) and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Resman Holding 1 AS and its subsidiaries (the Group), which comprise the statement of financial positions - assets as at 31 December 2023, equity and liabilities as at 31 december 2023, statement of comprehensive income, consolidated statement and changes in equity (Resman Group), statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

PricewaterhouseCoopers AS, Brattørkaia 17B, 7010 Trondheim

T: 02316, org. no.: 987 009 713 MVA, www.pwc.no

Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Stavanger, 18 June 2024

PricewaterhouseCoopers AS

Arne Birkeland

State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Birkeland, Arne	BANKID	2024-06-20 13:23

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RESMAN HOLDING 1 AS

ANNUAL REPORT 2023



BOARD OF DIRECTORS REPORT

ABOUT RESMAN

RESMAN Energy Technology is headquartered in Trondheim (NOR), hosting manufacturing, tracer production, state-of-the art laboratory, and administrative functions. Our global footprint extends to key locations including Houston (USA), Kuala Lumpur (MYS), Abu Dhabi (UAE), Dammam (SAU), Aberdeen (GBR), Stavanger, and Kjeller(NOR).

Our journey began in 2005, with funding from Statoil Technology Invest, based on technology developed by SINTEF and the Norwegian Institute for Energy Technology (IFE). In 2018, RESMAN expanded its portfolio by acquiring ResTrack, a spin-off of IFE, further solidifying our position as a leader in reservoir tracer technology.

Boasting over 30 years of experience and a proven track record spanning more than 60 countries, RESMAN is a global leader in cutting-edge tracer technologies and the industry-leading patent holder with the lowest detection limits and the highest scientific publication rate.

We help our clients in oil and gas, CCUS, geothermal and new energy segments to solve the most fundamental challenge of understanding the fluid movement within the reservoir, directly and with precision.

Our technology

Our exclusive focus on tracer technology enables us to deliver a complete portfolio of comprehensive solutions.

RESMAN's innovative, risk-free, non-invasive, and cost-effective organic tracer technology serves as the definitive proof of mass transport across reservoirs, production facilities, carbon storage, and geothermal monitoring segments. This tangible evidence of mass transport, coupled with RESMAN's multidisciplinary expertise, facilitates informed reservoir and production decisions, aids in the calibration of reservoir models, and charts a course toward a sustainable energy future.

Our team boasts some of the most brilliant scientists in the industry, with over 50% of the company having advanced degrees in biotechnology, physics, chemistry and petroleum engineering. Through our interdisciplinary approach and time-tested stringent protocols, we achieve unrivaled parts-per-trillion detection limits and offer tracers with the longest lifespan in the industry.

With a strong track record in traditional energy sectors, we are well-positioned to lead the energy transition. Tracer technology offers 90% + CO₂ reduction compared to traditional methods, presenting an optimal solution for both new energy segments and traditional oil and gas applications looking for a lower carbon footprint. We have a proven history of accomplishments as the only company in the industry that has used tracers for over 15 years to show CO₂ movement with precision.

Sustainability at RESMAN

In 2023, RESMAN solidified its commitment to sustainability by appointing a Chief Sustainability Officer to our top management team, enhancing visibility of our sustainability initiatives among all stakeholders. Our inaugural annual sustainability report was published in 2023, marking a significant milestone in our journey.

We've collaborated with our supply chain to comprehensively assess our CO₂ footprint for Scope 3 activities, laying the groundwork for measurable reduction goals moving forward.

As we assess our Key Performance Indicators (KPIs), we've recognized the need for relevance and measurability. In response, we're planning a new Great Place To Work survey for 2024, with updated KPIs to be included in



next year's report.

In a testament to our commitment to sustainability, RESMAN participated in a "Bike to Work" campaign, with one of our employees achieving fourth place in Norway for 2023!

For more information on our sustainability focus areas, please visit our website:
<https://www.resmanenergy.com/sustainability>

Resman Sustainability Focus: 2023 Accomplishments

In 2023, RESMAN underwent a significant shift towards New Energy, unveiling promising applications and innovations within CCUS and Geothermal energy segments. This venture yielded multiple unique new applications and pending patents, signaling our commitment to pioneering advancements in these sectors.

Notably, RESMAN was named a finalist for an award by Carbon Capture Canada in the category of "Innovation in CCUS Technology," underscoring our leadership in driving transformative change.

Moreover, we delved into environmental reporting, meticulously mapping our CO2 emissions, with a particular emphasis on Scope 3 emissions, laying the groundwork for future emission reduction strategies.

Recognizing the growing significance of supply chain compliance, we initiated annual electronic reporting for all our stakeholders, including suppliers, subcontractors and agencies. This step helps us to ensure adherence to the transparency act, as well as international regulations and sanctions, underscoring our dedication to accountability and sustainability across all levels of operation

Health, Safety and Security

RESMAN has a sustainability goal of zero harm to people. RESMAN place a high value on the health, safety and security of our employees as well as other stakeholders potentially affected by our work. Risk management is therefore essential to all our activities.

One of the biggest risks with our operations is related to travel. We have offices around the world, in addition we have customers all over the world, so there is a lot of travel for our employees. Journey Management is therefore an integral part of everyday work for us. We have a collaboration with international SOS to ensure we are familiar with risks for the locations we are planning to travel to. For high-risk areas additional evaluations are performed. For 2023 we have travelled to Nigeria and Angola which required some additional follow-up.

RESMAN measures "Sick leave", "Lost Time Injuries (LTI)" and "Days Away From Work (DAFW)". In 2023 the sick leave was at 3,1%, and we had no LTIs and DAFWs. In 2023, we conducted a comprehensive internal campaign on manual handling to encourage training for all our employees.

Equal opportunity

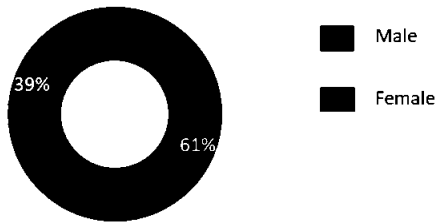
Our Board of Directors comprises six members, with a balanced gender ratio of four males and two females, all covered by a board liability insurance of NOK 100 million.

RESMAN boasts a diverse workforce, with 79 full-time employees at year-end, consisting of 31 women and 48 men, all in permanent positions. Throughout 2023, RESMAN had one part-time employee. Maternity/parental leave averages 2.7 weeks, with 1.9 weeks for females and 4.3 weeks for males.

At RESMAN, we value our human capital as our most precious asset. Our aim is to attract, nurture, and retain talented individuals in an environment that fosters safety, excitement, and personal and professional growth. Among our material aspects, equal opportunity stands out as a key focus. We are dedicated to ensuring fairness and equity for all employees. To underscore this commitment, we've established internal KPIs and conducted risk assessments to continuously improve our processes.



Gender Breakdown



Gender equality

At RESMAN, our global gender breakdown stands as follows:

- Overall employees: 39% female
- Mid-level management (Group 1a): 18% female
- Executive management (Group 1b): 22% female

Our current global gender pay gap averages at 22%, favoring male employees, though calculated based on comparable roles and responsibilities. Despite potential individual variances due to factors like background and experience, we meticulously examine our gender pay gap to rectify any unjustified discrepancies. We pledge to uphold equal pay for equal work, helping the energy sector to recruit more female employees. There are significantly fewer women working in the energy sector compared to men, with a pay gap being more than twice as large in energy than in non-energy sectors.

We have improved on the gender pay gap for RESMAN AS since 2022, including improvements in grade 1 (all): 24 to 17%, grade 2 (mid-managers): 9 to 6% and grade 3 (employees, excl. all managers): 3 to 2%.

In 2023, 33% of new hires were women. Acknowledging industry-wide gender diversity challenges, we actively promote STEM education to attract and empower talented women, fostering inclusivity and representation.

We prioritize internal job postings to promote advancement, providing growth opportunities for existing employees. Transparent career paths and succession planning ensure gender-balanced leadership roles.

With three trade unions, we encourage communication and cooperation, with 46% of our workforce actively engaged in fair labor practices. RESMAN remains dedicated to gender equality, transparent careers, and equitable labor practices, fostering an inclusive workplace.

Diversity and inclusion

RESMAN actively champions diversity and inclusion, integral to our corporate identity, fostering a discrimination-free workplace. Based in Trondheim, Norway, our global footprint extends across manufacturing, production, engineering, and R&D. We also have regional hubs in Stavanger, Oslo, Aberdeen, Houston, Abu Dhabi, Saudi Arabia and Malaysia.

Our workforce epitomizes diversity, boasting 15 nationalities and embracing variations in gender, culture, religion, sexual orientation (including LGBTQ+), ethnicity, and age. Upholding a strict anti-discrimination stance, we embed fairness and impartiality into every facet of our operations, supported by guidelines, Work Environment Committee meetings, and a robust Speak-up Policy encouraging employee reporting.

Acknowledging the enriching value of diverse perspectives, we prioritize diversity in recruitment. We regularly conduct comprehensive risk assessments involving key stakeholders, such as trade unions, safety representatives, and HR to ensure equal opportunities. To strengthen inclusivity, we regularly organize workshops, bringing together diverse technical disciplines such as R&D, Sales, Operations, and Technical.

Transparency is paramount in our recruitment practices, as job descriptions are solely based on competency and qualifications, free from inquiries into race, religion, or sexual orientation. Our organizational structure includes



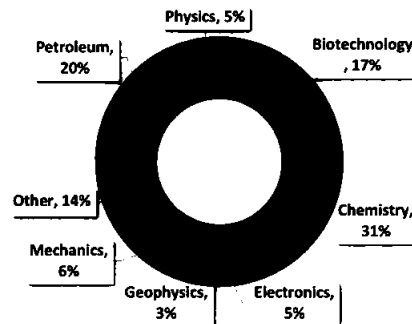
feedback mechanisms to address discrimination, fostering a culture firmly grounded in our Code of Conduct, with no reported incidents to date.

In 2023, 12 employees received well-deserved career promotions, showcasing our commitment to their ongoing development.

Breakdown of our employees' university education:

- 33% hold Bachelor's degrees.
- 47% hold Masters/PhD degrees.

Overall, 80% of our workforce boasts advanced degrees.



Compliance / Transparency Act

Resman works after the principles of fundamental human rights and decent working conditions as defined in the Norwegian Transparency Act. RESMAN's assessments in accordance with the requirements of Transparency Act are included in RESMAN Sustainability report available on the Company's website.

RESMAN works systematically to map relevant rules and regulations to ensure we are in compliance. We work proactively with this to ensure we follow relevant obligations that might become regulations going forward.

Some key areas with increased focus is mentioned below.

Human Rights

INTERNAL

At RESMAN, human rights hold paramount importance in all our interactions, both internally and externally. The introduction of the Transparency Act in 2022 has streamlined our engagement with stakeholders by legitimizing our information requests. This has enabled us to adopt a more systematic approach in seeking follow-up information from suppliers and business partners, a commitment emphasized in our Code of Conduct and prominently featured on our website.

We recently rolled out a new Code of Conduct, ensuring all employees are informed and accountable. Each employee must sign off on this document upon joining the company and whenever updates occur, underscoring our commitment to transparency and ethical conduct.

Every RESMAN employee has a formal work contract, with working hours specified in our employee manual. We do not engage temporary or young workers, prioritizing stable employment practices.

In response to the Transparency Act implementation, we identified the need for additional training to heighten internal stakeholder awareness and ensure alignment with our expectations, particularly in supply chain management. This ongoing focus is regularly reviewed and reinforced with key stakeholders.



EXTERNAL

SUPPLY CHAIN

As part of our standard business practice, we rigorously evaluate subcontractors and suppliers, including agents and business partners. In compliance with the Transparency Act, we conducted enhanced due diligence on our entire supply chain, assessing corruption risks and human rights conditions in operating countries.

Suppliers/subcontractors in high-risk countries receive intensified monitoring. Each contract mandates adherence to international human rights regulations and requires employee contract assurance to safeguard their rights. Our Code of Conduct is integrated as a prerequisite for all business transactions.

An annual reporting framework, particularly focusing on suppliers and subcontractors in high-risk countries, is established based on the Human Rights Index. Furthermore, we've introduced an annual self-reporting program for business partners, agents, and suppliers, gauging their progress in understanding human rights and sustainability.

ESG awareness in the supply chain has surged, driven by evolving regulations prompting heightened focus on environmental impact and compliance. We observe accelerated response times and proactive measures from companies, underlining the growing consciousness in this realm. RESMAN actively promotes this awareness and mandates environmental impact evaluation for new suppliers/subcontractors selection.

We prioritize collaborating with key suppliers/subcontractors to enhance awareness of environmental impact, decarbonize supply chains, and foster understanding of human rights and DEI principles. Through ongoing engagement and audits, we identify and address areas requiring specific attention and additional follow-up.

In 2023, we conducted two audits of subcontractors/suppliers in diverse locations. Based on annual feedback, three suppliers/subcontractors necessitate focused attention and additional support in 2024. We commit to continued monitoring, audits, and recommending additional training to enhance awareness and drive positive change.

Anti-bribery and Corruption

Internal

RESMAN has maintained a steadfast commitment to combating bribery and corruption (ABC) since its inception, evident through the establishment of an ABC policy alongside comprehensive employee training.

Upon joining the company, employees are required to confirm their understanding of the ABC policy and Code of Conduct. These materials are circulated biannually to ensure sustained awareness. Additionally, sales personnel annually affirm compliance with an ABC form, ensuring adherence to policy guidelines. New employees undergo ABC training to comprehend the nuances of compliance.

External

The RESMAN ABC policy receives board endorsement, with key principles integrated into our Code of Conduct disseminated to all stakeholders.

In 2023, we conducted a comprehensive review of our terms and conditions to align with updated legal mandates, now integrated into negotiation processes. We refined supplier evaluation procedures to clarify critical approval criteria, incorporating ABC compliance into supplier questionnaires. A risk-based approach guides additional follow-up measures, including audits, considering operational experience, feedback, and country of operation.

When evaluating new business partners and agents, a detailed integrity due diligence process, overseen by our legal team, is followed. Recommendations inform the initiation of agreements, with the Code of Conduct and ABC policy integral to contract documentation. Standard procedures involve integrity due diligence for all potential agents, with three evaluations conducted globally in 2023. Based on annual feedback we have identified 3 suppliers that we will follow up more closely over the next year. We will evaluate to perform an



audit of them and see if training can be performed to help increase their awareness.

Operational overview

In 2023, RESMAN underwent a significant shift towards New Energy, unveiling promising applications and innovations within CCUS and Geothermal energy segments. This venture yielded multiple unique new applications and pending patents, signaling our commitment to pioneering advancements in these sectors.

Notably, RESMAN was named a finalist for an award by Carbon Capture Canada in the category of "Innovation in CCUS Technology," underscoring our leadership in driving transformative change.

Moreover, we delved into environmental reporting, meticulously mapping our CO₂ emissions, with a particular emphasis on Scope 3 emissions, laying the groundwork for future emission reduction strategies.

Recognizing the growing significance of supply chain compliance, we initiated annual electronic reporting for all our stakeholders, including suppliers, subcontractors and agencies. This step helps us to ensure adherence to the transparency act, as well as international regulations and sanctions, underscoring our dedication to accountability and sustainability across all levels of operation.

Research and Development

RESMAN runs an extensive research and development program in cooperation with its clients to deliver solutions that enable accelerating investments in renewables, energy efficiency, and in low-carbon solutions to decarbonize industry and society.

In 2023, we increased our focus on new energy, a trajectory we aim to intensify in the future.

This commitment is evident through our research and development initiatives, our innovation, and organizational restructuring.

Concurrently, we are steadily adapting to emerging regulations, recognizing the need for thorough evaluation to address all aspects comprehensively.

Our KPIs have been recalibrated to accommodate these shifts and will evolve as we gain deeper insights into our dual materiality aspects.

Through this assessment, we strive to uphold a sustainability strategy that stays pertinent, impactful, and harmonized with evolving sustainability standards.

Financial Statements

RESMAN Holding 1 AS prepares consolidated group accounts for the RESMAN operational group.

RESMAN Group 2023 revenues summed up to NOK 318,8 million compared to NOK 239,1 million prior year. All revenues are generated from sale of tracer systems with related analysis and interpretations in group subsidiaries. There are not any operating activities, revenue nor cost of goods in the parent company.

EBITDA increased to NOK 62,9 million from NOK 18,3 million prior year. The result allocated to equity is NOK 8,8 million in the group and NOK -0,1 million in the parent company. Corresponding figures prior year, NOK -28,1 million in the group and NOK -0,5 million in the parent company.

Contracts assets and unbilled revenue is high compared to average yearly revenue due to high sales in Q4 2023. Deliveries will be done during 2024, but with value creation and earned revenue in the early phase of the delivery it creates higher than normal contract assets and unbilled revenue at the end of 2023.

RESMAN group continued to invest significantly in technology development. In 2023 NOK 18,5 million was capitalized related to research and development activities. In 2022 the R&D capitalization was NOK 28,7 million.

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As of 31 December 2023, shareholder's equity in parent company is NOK 675,8 million. Total assets in Group are NOK 462,3 million (407,2 million in 2022) whereof equity is NOK 223,6 million giving an equity ratio of 48,4 %.

Net cashflow provided by operating activities was NOK 6,2 million (NOK -5,9 million in 2022), while Investing activities summed up to NOK -22,7 million (NOK -31,5 million in 2022). The negative cash flow was financed through utilization of available cash equivalents and through proceeds from borrowing (see Statement of Cashflows for details).

To reduce supply chain risk, significant investments in in-house production facilities are being carried out in 2024. These investments will also result in significant lower net working capital going forward, as lead time for necessary input materiel will be reduced to a fraction of current time, and Inventory safety stock will reduced accordingly.

RESMAN group has significant liquidity reserves and financial covenant headroom. Per 31.12.2023 NOK 102,9 million out the NOK 200 million Credit line limit was utilized.

Going concern

In accordance with the Norwegian Accounting Act, The Board of Directors confirms that the financial statements have been prepared on the basis of the going-concern assumption. The board is not aware of any matters of major interest not mentioned in the annual report.

Outlook

Need for Energy Security in the western world has resulted in an increased demand for Resman core offerings both in 2023 and for the foreseeable future. In addition, significant investments in New Green Energy offerings broadens Resman market, and reduces demand risk related to volatility in Oil and Gas prices.

The Board of Directors considers the company well positioned for the Energy Transition with leading technology, passion for sustainability, and commitment to driving innovation for a sustainable future.

Trondheim, 31. December 2023/ 18. June 2024

Gunnar Hviding
Chairman of the board

Thomas Mejdell
Board member

James Ure Nixon
Board member



STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK)	Note	Group		Parent Company	
		2023	2022	2023	2022
Revenue	4	318 782 871	239 110 545	-	-
Cost of materials		82 656 960	55 956 922	-	-
Salary and personnel expenses	9	119 743 572	103 241 518	-	-
Other operating expenses	8	53 458 050	61 609 557	375 523	720 157
EBITDA		62 924 289	18 302 548	-375 523	-720 157
Depreciation and amortisation	12, 13,14	50 159 102	49 694 085	-	-
Operating profit or loss		12 765 188	-31 391 537	-375 523	-720 157
Financial income	10	12 501 205	10 593 421	270 874	121 620
Financial expenses	10	15 338 396	14 276 415	-	-
Financial income/(expenses) net	10	-2 837 192	-3 682 994	270 874	121 620
Profit/loss before tax		9 927 996	-35 074 531	-104 649	-598 537
Income tax expense	11	1 714 101	4 090 578	23 023	131 678
Profit /loss for the year		8 213 895	-30 983 953	-81 626	-466 859
Translation differences that may be reclassified to profit or loss		556 028	2 835 834	-	-
Other comprehensive income/(loss) for the period, net of tax		556 028	2 835 834	-	-
Total comprehensive income/(loss) for the year		8 769 923	-28 148 120	-81 626	-466 859
Attributable to the equity holders of the company		8 769 923	-28 148 120	-81 626	-466 859



STATEMENT OF FINANCIAL POSITION - ASSETS

		Group		Parent company	
(Amounts in NOK)	Note	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Assets					
Non - current assets					
Investments in subsidiaries	6	-	-	655 411 971	655 411 971
Property, plant and equipment	12, 22	8 783 019	7 269 162	-	-
Right - of - use assets	13	22 501 390	23 477 887	-	-
Goodwill	14, 15	63 475 961	63 475 961	-	-
Other intangible assets	14, 15	102 770 187	123 016 525	-	-
Deferred tax asset	11	863 716	1 562 541	843 003	819 980
Total non - current assets		198 394 272	218 802 076	656 254 974	656 231 951
Current assets					
Inventories	18, 22	61 743 409	49 466 055	-	-
Forward currency contracts	16, 17	1 842 300	-	-	-
Trade receivables	5, 16, 17	77 437 665	72 104 525	-	-
Unbilled receivables	5	26 535 575	4 573 721	-	-
Contract assets	5	66 563 119	29 296 963	-	-
Receivables from group companies	7	-	-	12 391 350	11 795 856
Other short-term receivables	19	12 677 351	11 334 903	-	-
Cash and cash equivalents	17, 20	17 100 195	21 632 034	7 163 005	7 886 330
Total current assets		263 899 614	188 408 202	19 554 356	19 682 186
Total assets		462 293 886	407 210 278	675 809 330	675 914 137



EQUITY AND LIABILITIES

		Group		Parent Company	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
(Amounts in NOK)					
	Note				
Equity and Liabilities					
Share capital	21	14 683 765	14 683 765	14 683 765	14 683 765
Own shares		-65 467	-65 467	-22 567	-22 567
Share premium reserve		203 855 415	195 641 517	661 143 199	661 224 824
Translation reserve		5 011 742	4 455 714		
Total equity		223 485 455	214 715 528	675 804 397	675 886 022
Liabilities					
Non - current liabilities					
Borrowings	16, 17, 22	102 901 645	81 316 876	-	-
Lease liabilities	13, 16, 17,22	15 458 944	15 913 243	-	-
Deferred tax	11	-	2 191 021	-	-
Liabilities to related party	7	42 423 656	-	-	-
Total non - current liabilities		160 784 245	99 421 140	-	-
Current liabilities					
Trade payables	16, 17, 24	29 618 868	22 304 828	4 933	28 114
Income tax payable	11	251 932	124 475	-	-
Contract liabilities	5	1 205 231	1 020 890	-	-
Public duties payable		5 845 771	5 837 978	-	-
Lease liabilities	13, 16, 17,24	7 801 817	8 041 989	-	-
Liabilities to related party	7	-	42 423 656	-	-
Other current liabilities	24	33 300 567	13 319 794	-	-
Total current liabilities		78 024 186	93 073 610	4 933	28 115
Total liabilities		238 808 431	192 494 750	4 933	28 115
Total Equity and liabilities		462 293 886	407 210 278	675 809 330	675 914 137

Trondheim, 31st of December 2023/ 18th of June 2024

Gunnar Hviding
Chairman of the board

Thomas Mejdell
Board member

James Ure Nixon
Board member



CHANGES IN EQUITY (PARENT)

(Amounts in NOK)	Share capital	Own shares	Share premium reserve	Total Equity
Balance at 1 January 2022	14 683 765	-22 567	661 691 682	676 352 881
Profit/loss for the period			-466 859	-466 859
Other comprehensive income/(loss)				
Total comprehensive income			-466 859	-466 859
Balance at 31 December 2022	14 683 765	-22 567	661 224 823	675 886 022
Balance at 1 January 2023	14 683 765	-22 567	661 224 823	675 886 022
Profit/loss for the period			-81 626	-81 626
Other comprehensive income/(loss)				
Total comprehensive income			-81 626	-81 626
Balance at 31 December 2023	14 683 765	-22 567	661 143 199	675 804 396



CONSOLIDATED STATEMENT AND CHANGES IN EQUITY (RESMAN GROUP)

(Amounts in NOK)	Note	Share capital	Own shares	Share premium reserve	Translation reserve	Total Equity
Balance at 1 January 2022		14 683 765	-65 467	226 625 469	1 619 880	242 863 647
Profit/(loss) for the period				-30 983 953		-30 983 953
Other comprehensive income/(loss)					2 835 834	2 835 834
Total comprehensive income				-30 983 953	2 835 834	-28 148 119
Balance at 31 December 2022		14 683 765	-65 467	195 641 518	4 455 714	214 715 528
Balance at 1 January 2023		14 683 765	-65 467	195 641 518	4 455 714	214 715 528
Profit/(loss) for the period				8 213 895		8 213 895
Other comprehensive income/(loss)					556 028	556 028
Total comprehensive income				8 213 895	556 028	8 769 923
Balance at 31 December 2023		14 683 765	-65 467	203 855 414	5 011 742	223 485 455



STATEMENT OF CASHFLOWS

(Amounts in NOK)	Notes	Group		Parent	
		2023	2022	2023	2022
Operating activities:					
Profit before tax		9 927 998	-35 074 531	-104 649	-598 537
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	12	2 667 304	3 183 501	-	-
Depreciation of right-of-use-assets	13	8 767 593	7 854 245	-	-
Depreciation of other intangible assets	14	38 724 207	38 656 343	-	-
Net finance	10	2 837 192	3 682 993	-270 874	-121 620
Net foreign exchange differences		3 101 325	-1 201 495	-	-
Working capital changes:					
trade rec., contract assets and other short-term rec		-65 977 602	-17 224 466	-	-
inventories		-12 277 354	-6 927 016	-	-
trade pay., contract liab, public duties and other current liab		26 219 726	6 045 739	-23 181	28 114
other receivables group companies		-	-	-595 494	-106 854
Interest received		1 109 190	395 043	270 874	62 442
Interest paid		-8 890 006	-5 318 218	-	-
Net cash provided by operating activities		6 209 571	-5 927 861	-723 324	-736 455
Investing activities:					
Purchase of property, plant and equipment	12	-4 181 161	-2 832 063	-	-
Capitalized development expenses	14	-18 477 868	-28 661 191	-	-
Disbursement of loan to subsidiaries	7	-	-	-	-10 000 000
Net cash from investing activities		-22 659 029	-31 493 254	-	-10 000 000
Financing activities:					
Proceeds from borrowings	16,17,22	21 584 769	26 523 702	-	-
Payment of borrowings	16,17,22	-	-	-	-
Payment of principal portion of lease liabilities	13,16,22	-9 350 292	-8 406 200	-	-
Net cash from financing activities		12 234 477	18 117 502	-	-
Net cash for the period		-4 214 982	-19 303 613	-723 325	-10 736 454
Net foreign exchange difference		-316 857	1 305 041	-	-
Change in cash and cash equivalents		-4 531 839	-17 998 572	-723 325	-10 736 454
Cash and cash equivalent at the beginning of the period	20	21 632 034	39 630 606	7 886 330	18 622 784
Cash and cash equivalent at the end of the period	20	17 100 195	21 632 034	7 163 005	7 886 330



NOTE 1 - CORPORATE INFORMATION

RESMAN Holding 1 AS is a Norwegian limited liability company. The Group's financial statements consist of the RESMAN Holding 1 parent financial statements, as well as the subsidiaries listed in Note 6 Subsidiaries. The RESMAN Group (RESMAN or the Group) develops, markets and delivers products and services for reservoir monitoring and reservoir management based on chemical tracers in oil wells. The products and services are based on the company's own technology and on licensed technology, and it is being delivered to oil companies nationally and internationally.

The headquarters are located at Strindfjordvegen 1 in Trondheim. The Group's consolidated financial statements for the year ended 31 December 2023 were approved by the Board of Directors at its meeting on 15 May 2024.



FINANCIAL STATEMENTS

- Historical cost based
- Based on going concern assumption



IN ACCORDANCE WITH

- International Financial Reporting Standards (IFRSs)

NOTE 2 – BASIS FOR PREPARATION

The Parent Company and RESMAN Group has prepared the consolidated financial statements for 2023 in accordance IFRS® Accounting Standards as adopted by the EU. The separate financial statement for the Parent Company is prepared in accordance with IAS 27.

The consolidated financial statements are prepared on a historical cost basis, except for certain assets, liabilities and financial instruments which are measured at fair value. Preparation of financial statements including note disclosures requires management to make estimates and assumptions that affect amounts reported. Actual results may differ.

The functional currency of RESMAN Holding 1 AS is the Norwegian krone (NOK). The RESMAN Group accounts are presented in NOK. Presentation and classification of items in the financial statements is consistent for the periods presented. The consolidated financial statements are prepared under a going concern assumption.

These financial statements for the year ended 31 December 2023 are the third the Group has prepared in accordance with IFRS. RESMANs' relationship with the environment has become increasingly important. While climate related changes is expected to reduce Resman's Oil&Gas market the next decades, it also includes significant opportunities for climate-change mitigation and adaptation. RESMAN has initiated R&D projects within emission reductions to take a position in the market as a part of the global solution.



NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The following description of accounting principles applies to RESMAN's 2023 financial reporting, including all comparative figures. See Note 2 Basis of presentation and Critical accounting judgments referred to in this note.



Foreign Currency

The consolidated financial statements are presented in NOK, which is the parent company's functional currency. Each entity in the Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the appropriate exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated as of the reporting date exchange rate. All differences regarding translation are included in financial income or financial expense in the statement of profit or loss.

The assets and liabilities of foreign operations are translated into NOK at the rate of exchange at the reporting date, and their profit or loss statements are translated at the exchange rates at the dates of the transactions. The exchange differences arising on the translation for consolidation purposes are recognised in Other comprehensive income as Currency translation differences, net of tax. On disposal of a subsidiary the cumulative translation adjustment of the disposed entity is recognised in the statement of profit or loss as part of the gain or loss on disposal.

Financial Instruments

Financial assets and liabilities include investments in shares, accounts receivable and other current assets, cash and cash equivalents, borrowings, accounts payable and current financial liabilities.

A financial instrument is recognised when the Group becomes party to the instrument's contractual terms. Upon initial recognition, financial assets at amortised cost are measured at fair value plus transaction costs. Transaction costs relating to the acquisition of financial assets at fair value through profit or loss are recognised in profit or loss as they are incurred. An ordinary purchase or sale of financial assets is recognised and derecognised from the time an agreement is effective. Financial assets are derecognised when the Group's contractual rights to receive cash flows from the assets expire, or when the Group transfers the asset to another party and does not retain control or transfers practically all risks and rewards associated with the asset.

Financial liabilities represent a contractual obligation by RESMAN to deliver cash in the future and are classified as either current or non-current. Financial liabilities include borrowings and accounts payable. Financial liabilities are initially recognised at fair value including transaction costs directly attributable to the transaction and are subsequently measured at amortised cost. Financial liabilities are derecognised when the obligation is discharged through payment or when RESMAN is legally released from the responsibility for the liability.

A financial asset or a group of financial assets which are subject to impairment will be impaired using the expected credit loss 3-stage model (ECL) or the practical expedient of lifetime ECL for accounts receivable in accordance with IFRS 9.

Revenue Recognition

RESMAN recognizes revenue from customers in accordance with IFRS 15 Revenue from contracts with customers. RESMAN delivers products and services to their customers and offers services for the products sold. Revenue for services is recognized at point in time. Product revenue is recognized over time when control passes. For the over-time revenue recognition RESMAN uses an input-based percentage of completion method. See Note 4 for additional information related to revenue recognition.



Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as a reduction of the related costs. When the grant relates to an asset, it is recognised as reduction in book value of the related asset.

Employee Benefit Expenses and Pension Expense

Payments to employees, such as wages, salaries, paid annual leave, as well as bonus agreements and social security contributions are accrued in the period in which the associated services are rendered by the employee. Contributions to defined contribution plans are recognized in the statement of profit or loss in the period in which they accrue.

Intangible Assets

Intangible assets acquired individually or in a group are recognized at cost when acquired. Following initial recognition, intangible assets are carried at historical cost less accumulated amortisation and any accumulated impairment losses.

All the intangible assets currently held by RESMAN are assessed as having finite lives. Intangible assets with finite lives are amortised over their estimated useful life. Useful lives and the amortisation method are reviewed annually. The straight-line depreciation method is used as this best reflects the consumption pattern of the assets.

Expenses related to product development activities are capitalised if the product development activities comply with the defined criteria for capitalisation. Capitalisation assumes it is possible to identify the intangible asset and demonstrate that it is probable that the development work will be successful, and that the future financial benefits attached to the intangible asset will accrue to RESMAN.

If the criteria are satisfied, capitalised amounts will include the cost of materials and direct payroll expenses. Capitalised development costs are subsequently recognised at historical cost less accumulated amortization and accumulated impairment losses.

Machinery and Equipment

Property, plant and equipment (PP&E) is recognised at acquisition cost. The carrying value of PP&E is the historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is measured on a straight-line basis over the estimated useful lives of the asset as follows:

- Leasehold improvements: 2- 10 years with a maximum useful life no greater than the lease term
- Project-related equipment: 2-10 years
- Office equipment: 2-5 years

The assets' residual values, useful lives and method of depreciation are reviewed annually and adjusted prospectively if appropriate.

Impairment of Non-Financial Assets

All non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with IAS 36 Impairment of Assets.



The recoverable amount of an asset or cash-generating unit is its value in use or fair value less costs to sell, whichever is higher. Value in use is calculated as the net present value of future cash flows. The calculation of net present value reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount is calculated based on the estimated future cash flow based on board and management approved budgets and strategic plans for the Group.

An impairment is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable group that generates a cash inflow that is largely independent of other assets or groups.

Taxes

Taxes payable is based on taxable profit for the year which excludes items of income or expense that are taxable or deductible in other years. Taxable profit also excludes items that are never taxable or deductible. RESMAN's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the balance sheet date.

Deferred income tax expense is calculated using the liability method in accordance with IAS 12 Income Taxes. Deferred tax assets and liabilities are classified as non-current in the statement of financial position and are measured based on the difference between the carrying value of assets and liabilities for financial reporting and their tax basis when such differences are considered temporary in nature. Temporary differences related to intercompany profits are deferred using the buyer's tax rate. Deferred tax assets are reviewed for recoverability every balance sheet date, and the amount probable of recovery is recognized. Deferred income tax expense represents the change in deferred tax asset and liability balances during the year, except for the deferred tax related to items recognized in Other comprehensive income or resulting from a business combination or disposal.

Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates become effective or are substantively enacted. Uncertain tax positions are recognized in the financial statements based on management's expectations. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority, and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred taxes are not provided on undistributed earnings of subsidiaries when the timing of the reversal of this temporary difference is controlled by RESMAN and is not expected to happen in the foreseeable future. This is applicable for the majority of RESMAN's subsidiaries.

Inventories

Inventories are measured at the lower of cost and net realisable value. The net realisable value is calculated as the selling price less cost to sell. For manufactured products, the acquisition cost is calculated as direct and indirect costs.

Accounts Receivable

Accounts receivables are initially recognised at the transaction price when the Group has an unconditional right to receive the consideration and the payment is only dependent on the passage of time. Accounts receivables are subsequently assessed for any credit loss allowance. The loss allowance is based on the lifetime expected credit loss model and adjusted for market and economic conditions based on management judgement.



Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position includes cash, bank deposits and all other monetary instruments with a maturity of less than three months from the date of acquisition.

Statement of Cash Flows

The statement of cash flows is prepared according to the indirect method. Interest received and interest paid is included in cash flows from operating activities.

Subsidiaries

Subsidiaries are all entities over which the Group has control. Control exists when the investor is exposed or has rights to variable returns from its investment in the company and when it can influence the return through its power over the company. To determine the level of control, the potential voting rights that can be exercised or converted must be considered. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Investments in subsidiaries are recognized at cost in the parent company's separate financial statement.

Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group (the commencement date). Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities are initially measured at net present value. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are measured initially at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs

Right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, as well as any required adjustments due to a remeasurement of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an operating expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less at the commencement date of the lease. Low-value assets are relating to IT and other office equipment.

Critical Accounting Estimates and Changes in Accounting Policies



The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. The areas involving significant estimates or judgements are:

- Estimated goodwill impairment – note 15
- Recognition of revenue over time – note 4
- Estimated useful life of intangible asset – note 14 and 15
- Capitalisations of intangible assets – note 14 and 15

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.



NOTE 4 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

The Group's revenue from contracts with customers has been disaggregated by geographical region and presented in the table below:

Geographical region	2023	2022
Europe	156 158 745	114 306 199
America	58 602 625	67 525 297
Middle East/Oceania	37 318 887	38 496 009
Africa	66 702 614	18 783 040
Total	318 782 871	239 110 545

Timing of revenue recognition	2023	2022
Over time	207 902 486	137 732 747
At point in time	110 880 385	101 377 798
Total	318 782 871	239 110 545

Under IFRS 15, Resman recognizes as revenue the agreed transaction price in a contract with a customer at the time when the Group transfers the control of a distinct product or service to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

For each performance obligation identified at the inception of the contract, it is separately determined if those performance obligations are satisfied at a point in time or on an over-time basis. Revenue regarding each performance obligation is recognized when that performance obligation is satisfied. Consequently, revenue is recognized in full upon completion of a contract if it includes only one performance obligation or more than one performance obligations that are satisfied at the same time.

Resman delivers products and services for reservoir monitoring and reservoir management based on chemical tracers in oil field reservoirs and in oil wells. There are mainly two types of revenue:

- Tracer system (Product)
- Services (Lab analysis and services)

Tracer system (Product)

Resman delivers specific designed tracer systems for oil/gas wells. The systems enable Resman to perform lab analysis services at a later stage if requested from the client. The number of tracer systems and design of it varies based on:

- well parameters (temperature, flow rate, number of zones, well completion etc),
- monitoring objectives (confirming all zones producing, estimating contribution from each zone, detecting water breakthrough etc).



There are 3 main phases/milestones for the delivery of such products:

- system design/engineering
- system manufacturing
- system integration

These phases related to delivery of tracer systems are defined as one performance obligation as they are transferred to the customer as a distinct delivery. Each phase cannot be considered distinct as the customer will not be able to benefit from one of the phases on a stand-alone basis as described in IFRS 15.27.

The cost occurred within the 3 phases reflects the progress and defines the revenue recognition model in the company. Resman's performance does not create an asset with an alternative use to the entity and Resman has an enforceable right to payment for performance completed to date. Based on this the revenue from delivery of tracer systems are recognized over time, at the three milestones for delivery of the product. Projects that deviate significantly from this model are separately assessed based on the individual project progress and occurred costs.

System design/engineering and manufacturing of the tracer system can be carried out when it fits into the operational plan for Resman. System integration is customer-determined and often linked to the well completion schedule. The delivered systems release tracers in accordance with a custom-made design, which again creates the basis for the data Resman delivers to its customers. It is not possible to do any returns of a delivered system.

Due to specific well parameters and client monitoring objectives, there are very seldom alternative use for the manufactured product. Invoices are generated according to agreed payment milestones. Normal payment milestones are upon received purchase order and upon delivery of tracer system. Most invoices are payable within 30 days.

Services (Lab analysis and services)

This is all other activities invoiced to customers not included in the tracer system product. Examples are:

- Installation of tracer systems into well completion hardware
- Sampling services at the client well-site
- Tracer injection in wells at the client well-site
- Lab analysis and data interpretation

Each of the activities is considered as separate performance obligations, hence the criteria IFRS 15.27 are met for this type of services. Installation of tracer systems in well completion hardware is often done at the location of the hardware vendor. The cost of this installation is normally reimbursed based on agreed rates in the contract.

Sampling services at the client well-site is performed in accordance with a pre-defined sampling program for the purpose of capturing correct oil/water/gas samples for laboratory analyses. Sampling services are normally reimbursed based on time spent on site and are in accordance with agreed rates in the contract.

Tracer injection in wells at the client well-site is done according to an injection program. The injection services are normally reimbursed based on amount of tracer, pump rental, time spent on the site and other incurred cost. The rates are according to the contract.

Collected samples are shipped to Resman lab for preparation, lab analysis and data interpretation. The amount of analysis is based on types of monitoring objectives and is related to the number of samples analyzed. The rates are according to the contract. Revenues from services are recognized at point in time when the service is delivered, and each agreed service is defined as a performance obligation.

All revenue is based on delivered service to client according to agreed terms and conditions and invoiced accordingly. Deviation from this model is separately assessed based on the individual project progress and occurred costs. The Group have no material obligations for returns, refunds, or other similar obligations.



NOTE 5 – ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The timing of revenue recognition, billings and cash collections results in billed trade receivables and unbilled receivables when the performance obligation has been delivered and cash collection is dependent only on the passage of time. Contract assets are recognized when the performance obligation has been partially delivered as of the reporting date. Prepayments and deposits from customers are recognized as a contract liability. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

	2023	2022
Billed trade receivables	77 437 665	72 104 525
Unbilled receivables	26 535 575	4 573 721
Contract assets	66 563 119	29 296 965
Contract liabilities	1 205 231	1 020 890

The Group considers on a regular basis whether there exist any onerous contracts. In case of any onerous contracts, provisions for loss are recognized in the current period.



NOTE 6 – LIST OF SUBSIDIARIES

The following subsidiaries are included in the consolidated financial statements:

Company	Domicile	Headquarters	Ownership interest	Voting power
Resman Holding 2 AS	Norway	Trondheim	100 %	100 %
Sub-group companies				
Resman AS	Norway	Trondheim	100 %	100 %
Resman do Brazil Ltda	Brazil	Rio de Janeiro	100 %	100 %
Resman USA Inc.	USA	Houston	100 %	100 %
Resman Wireless Reservoir Surveillance Ltd	UK	Aberdeen	100 %	100 %
Resman RUS Ltd. (non-operational dormant entity)	Russia	Moscow	100 %	100 %

Specification of the carrying amount in parent company:

Company	Historical cost	Carrying value
Resman Holding 2 AS	1 256 220 725	655 411 971
Sub-group companies		
Resman AS	1 256 220 725	666 906 505
Resman do Brazil Ltda	16 513 071	3 157 571
Resman USA Inc.	-	-
Resman Wireless Reservoir Surveillance Ltd	-	-
Resman RUS Ltd.	3 405 822*	-

*) The value of shares in Resman RUS Ltd. is written down due to closing of Resmans operations in Russia.



NOTE 7 – TRANSACTIONS WITH RELATED PARTIES

The Group's related parties include the Parent Company and its owners, as well as members of the Board, Management Group and their related parties. Related parties also include companies in which the individuals mentioned above have significant influence.

The Group is not part in any agreements, deals, or other transactions in which the Parent company's Board of Directors or Management Group have a financial interest, except for transactions following from the employment relationship. Remuneration to key personnel is disclosed in note 9.

Transactions and balances between the parent company and its subsidiaries, and between the subsidiaries, have been eliminated on consolidation, and are not disclosed in this note.

Parent company Resman Holding 1 AS has the following liabilities and receivables to group companies:

	2023	2022
Receivables	12 391 350	11 795 856
Liabilities	-	-

Resman Holding 2 AS has a liability to Cidron Panel 1 S.á.r.l., the majority owner of Resman Holding 1 AS. The loan does not carry interest from 1st July 2021. Payment on the loan is due by 18th March 2026.

	2023	2022
Liabilities to related party	42 423 656	42 423 656



NOTE 8 – OTHER OPERATING EXPENSES

	2023	2022
Premises, service and office costs	15 647 142	15 567 069
Office rent	2 628 531	4 464 356
Leasing and rental cost	941 579	1 409 371
Repair and maintenance costs	2 141 519	1 409 582
ITC	2 314 466	2 190 054
Travel costs	9 364 198	5 741 926
Consultancy fees and external personnel	9 054 236	16 822 328
Bad debts	335 872	458 239
Other operating costs	9 480 315	12 162 059
Insurance	1 550 191	1 384 572
Total other operating expenses	53 458 048	61 609 557

Group	2023	2022
Specification auditor's fee		
Statutory audit	484 883	618 471
Other assurance services	56 062	57 090
Other non-assurance services	41 160	297 602
Tax consultant services	-	-
Total	582 105	973 163

VAT is not included in the fees specified above.

Parent	2023	2022
Specification auditor's fee		
Statutory audit	66 281	102 638
Other assurance services	-	107 954
Other non-assurance services	30 266	-
Total	96 548	210 591

VAT is included in the fees specified above.



NOTE 9 – SALARY, PERSONNEL EXPENSE AND MANAGEMENT REMUNERATION

	2023	2022
Salaries and holiday pay	103 712 487	93 503 650
Social Security Tax	12 296 021	10 910 308
Pension costs defined contribution plans (Note 23)	5 371 837	4 916 938
Capitalized personnel costs	-16 010 084	-16 644 165
Other personnel costs	14 373 312	10 554 788
Total salaries and personnel expense	119 743 572	103 241 518

The number of man-years that has been employed during the financial year 2023 in the Group was 81 (82 in 2022). There are no employees in the parent company.

Of current year's SkatteFUNN-credit (NOK 3 587 844), NOK 2 477 921 is related to personnel expenses.
Of last year's SkatteFUNN-credit (NOK 4 750 000), NOK 2 814 233 is related to personnel expenses.

Management remuneration

	Salary	Bonus	Benefits in kind	Pension cost	Total remuneration*
Gunnar Hviding (CEO Resman Holding 1 AS)	2 148 109	511 295	42 541	70 482	2 772 427

The Company Management are employed in Resman AS and takes part in the general pension scheme described in the pension note.

*Board remuneration is not included

Board remuneration

	2023	2022
Director's fee	730 560	749 818
Chairman	400 000	400 000
Board members	330 560	349 818



NOTE 10 – FINANCE INCOME AND EXPENSES

Resman Group		
Finance income	2023	2022
Interest income	1 109 190	1 940 111
Currency exchange gain	9 549 715	8 642 929
Change in fair value of derivatives	1 842 300	-
Other finance income	-	10 382
Total financial income	12 501 205	10 593 422

Resman Group		
Finance expenses	2023	2022
Interest expense	7 998 804	8 726 610
Interest on lease liabilities	864 933	777 937
Currency exchange loss	6 448 390	4 686 037
Other finance cost	26 269	85 831
Total financial expenses	15 338 396	14 276 415

Net financial items	-2 837 192	-3 682 993
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Parent		
Finance income	2023	2022
Interest income group companies	202 348	62 442
Interest income	68 526	59 178
Total financial income	270 874	121 620
Net financial items	270 874	121 620



NOTE 11 – INCOME TAX

The tax rate was 22% in 2023 and 2022. The 22% tax rate was used to calculate deferred tax assets and deferred tax liabilities as at 31 December 2023 and 2022. Tax loss carry forward are related to Resman Holding 1 AS, Resman Holding 2 AS, Resman AS, Resman do Brazil Ltda and Resman RUS Ltd.

Calculated tax - foreign subsidiaries	-620 011	-938 503	-	-
Change in deferred tax/benefits	-1 492 195	-6 941 326	-23 023	-131 678
Tax payable/changes from last year	3 650 708	2 249 956	-	-
Not recognized deferred tax asset in foreign subsidiary	175 599	1 539 298	-	-
Income tax expense	1 714 101	-4 090 578	-23 023	-131 678

Reconciliation of effective tax rate

Profit/loss before income tax	9 927 998	-35 074 531	-104 649	-598 537
Expected tax at nominal rate 22 %	2 184 160	-7 716 397	-23 023	-131 678
Effect of income exempt from income tax	-1 184 643	-1 031 469	-	-
Withheld tax credits Resman AS	-431 580	1 612 996	-	-
Effect of change in def. tax - not recognized	328 787	2 009 590	-	-
Income tax payable	580 407	148 205	-	-
Permanent differences in foreign subsidiaries	236 972	886 498	-	-
Income tax expense	1 714 101	-4 090 578	-23 023	-131 678

Effective tax rate	17 %	12 %	22 %	22 %
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Specification of deferred tax

	Group		Parent	
	Assets	Liabilities	Assets	Liabilities
	2022		2022	
Property, plant and equipment	766 232	-	-	-
Excess values	-	9 714 227	-	-
Tracer system contracts	-	5 075 023	-	-
Inventory	254 039	-	-	-
Other differences	-	-	-	-
Unearned revenue	3 443 704	-	-	-
Leasing contracts	104 679	-	-	-
Tax losses carried forward	13 204 842	-	5 363 754	-
Interest not deductible carried forward	51 768 117	-	50 202 440	-
Unused tax credits	3 226 057	-	-	-
Deferred tax assets/liabilities	72 767 669	14 789 250	55 566 194	-
Deferred tax assets not included				-
Unearned revenue	3 443 704	-	-	-
Interest not deductible carried forward	50 202 440	-	50 202 440	-
Tax losses carried forward	4 960 753	-	4 543 773	-
Deferred tax assets/liabilities not included	58 606 897	-	54 746 213	-
Net deferred tax assets/liabilities	14 160 772	14 789 250	819 981	-
Offsetting of assets and liabilities	-12 598 231	-12 598 231	-	-
Net deferred tax assets/liabilities booked	1 562 543	2 191 021	819 981	-



Specification of deferred tax

	Group		Parent	
	Assets	Liabilities	Assets	Liabilities
	2023		2023	
Property, plant and equipment	733 243	-	-	-
Excess values	-	5 396 793	-	-
Tracer system contracts	-	18 150 777	-	-
Inventory	169 718	-	-	-
Other differences	-	-	-	-
Unearned revenue	3 513 144	-	-	-
Leasing contracts	163 508	-	-	-
Tax losses carried forward	20 030 380	-	5 386 777	-
Interest not deductible carried forward	51 768 117	-	50 202 440	-
Unused tax credits	6 727 938	-	-	-
Deferred tax assets/liabilities	83 106 049	23 547 570	55 589 217	-
Deferred tax assets not included				-
Unearned revenue	3 513 144	-	-	-
Interest not deductible carried forward	50 202 440	-	50 202 440	-
Tax losses carried forward	4 979 178	-	4 543 773	-
Deferred tax assets/liabilities not included	58 694 762	-	54 746 213	-
Net deferred tax assets/liabilities	24 411 288	23 547 570	55 589 217	-
Offsetting of assets and liabilities	-23 547 570	-23 547 570	-54 746 213	-
Net deferred tax assets/liabilities booked	863 716	-	843 003	-

Net deferred tax asset NOK 863 716 is related to temporary differences under Norwegian Tax regime. As of the year 2022, net deferred tax asset in Resman RUS Ltd is written down due to closing of the entity.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Deferred tax assets from unused tax losses are mainly related to unused tax losses in the subsidiary Resman AS where parts of the loss carried forward has been utilized over the last years.



NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment	Total
Cost at 1 January 2022	38 056 857	38 056 857
Additions	2 832 063	2 832 063
Cost at 31 December 2022	40 888 920	40 888 920
Accumulated depreciation and impairment at 1 January 2022	30 436 258	30 436 258
Depreciation	3 183 501	3 183 501
Accumulated depreciation and impairment at 31.12.2022	33 619 759	33 619 759
As at 31 December		
Cost	40 888 920	40 888 920
Accumulated depreciation and write downs	33 619 759	33 619 759
Carrying amount 31.12.2022	7 269 161	7 269 161
Useful life	3 - 5 years	
Depreciation method	Straight line	
	Machinery and equipment	Total
Cost at 1 January 2023	40 888 920	40 888 920
Additions	4 181 161	4 181 161
Cost at 31 December 2023	45 070 081	45 070 081
Accumulated depreciation and impairment at 1 January 2023	33 619 759	33 619 759
Depreciation	2 667 304	2 667 304
Accumulated depreciation and impairment at 31.12.2023	36 287 063	36 287 063
As at 31 December		
Cost	45 070 081	45 070 081
Accumulated depreciation and write downs	36 287 063	36 287 063
Carrying amount 31.12.2023	8 783 019	8 783 019
Useful life	3 - 5 years	
Depreciation method	Straight-line	

Machinery and equipment are recognised at historical cost less depreciation. See note 3 for the other accounting policies relevant to property, plant and equipment.



NOTE 13 – LEASES

The Group as a lessee

Right-of-use-assets

The Group leases several assets such as offices and other facilities, machinery and equipment. The Group's right-of-use assets are categorised and presented in the table below:

2022	Group		
	Buildings	Equipment	Total
Right-of-use assets			
Acquisition cost 1.1.2022	30 266 897	10 603 967	40 870 864
Additions	2 985 041	1 792 630	4 777 670
Currency effect	26 214	-	26 214
Acquisition cost 31.12.22	33 278 152	12 396 596	45 674 748
Accumulated depreciations 1.1.2022	9 113 935	5 228 682	14 342 617
Depreciations	5 214 770	2 639 475	7 854 245
Accumulated depreciations/impairments 31.12.22	14 328 705	7 868 157	22 196 862
Carrying amount 31.12.22	18 949 447	4 528 439	23 477 888
Lower of remaining lease term or economic life	2-10 years	2-5 years	
Depreciation method	straight-line		
Change in lease liabilities	Buildings	Equipment	Total
Acquisition cost 1.1.2022	21 232 401	5 546 442	26 778 843
New/changes in lease liabilities	2 985 041	1 792 630	4 777 670
Payment	-5 589 874	-2 816 326	-8 406 200
Interest	630 584	147 929	778 513
Currency effect	26 406		26 406
Total lease liabilities 31.12.2022	19 284 557	4 670 675	23 955 232
Current lease liabilities	5 282 291	2 759 698	8 041 990
Non current lease liabilities	14 002 266	1 910 977	15 913 243
Other leasing expenses recognized in profit and loss	Buildings	Equipment	Total
Expenses related to short term leasing agreements	4 464 356	1 409 371	5 873 727
Depreciations	5 214 770	2 639 475	7 854 245
Interest	630 584	147 929	778 513
Total lease expenses recognized in profit and loss	10 309 710	4 196 775	14 506 485



Undiscounted lease liabilities and payment schedule	Total
Less than 1 year	8 444 508
1-2 years	5 922 981
2-3 years	4 943 805
3-4 years	4 756 564
4-5 years	2 918 459
More than 5 years	-
Total undiscounted lease liabilities 31. December 2022	26 986 318

2023	Group		Total
Right-of- use assets	Buildings	Equipment	Total
Acquisition cost 1.1.2023	33 278 152	12 396 596	45 674 748
Additions	6 415 183	1 378 837	7 794 020
Currency effect	-2 923	-	-2 923
Acquisition cost 31.12.2023	39 690 412	13 775 433	53 465 845
Accumulated depreciations 1.1.2023	14 328 705	7 868 157	22 196 862
Depreciations	6 013 159	2 754 434	8 767 593
Accumulated depreciations/impairments 31.12.2023	20 341 863	10 622 591	30 964 454
Carrying amount 31.12.2023	19 348 549	3 152 842	22 501 390

Lower of remaining lease term or economic life
Depreciation method

2-10 years 2-5 years
Straight-line

Change in lease liabilities	Buildings	Equipment	Total
Acquisition cost 1.1.2023	19 284 557	4 670 675	23 955 232
New/changes in lease liabilities	6 415 183	1 378 837	7 794 020
Payment	-6 336 019	-3 014 273	-9 350 292
Interest	673 672	191 261	864 933
Currency effect	-3 131	-	-3 131
Total lease liabilities 31.12.2023	20 034 261	3 226 499	23 260 761
Current lease liabilities	6 692 573	1 109 244	7 801 816
Non current lease liabilities	13 341 689	2 117 255	15 458 944

Other leasing expenses recognized in profit and loss	Buildings	Equipment	Total
Expenses related to short term leasing agreements	2 628 531	941 579	3 570 110
Interest	673 672	191 261	864 933
Depreciations	6 013 159	2 754 434	8 767 593
Total lease expenses recognized in profit and loss	9 315 362	3 887 274	13 202 635



Undiscounted lease liabilities and payment schedule

Less than 1 year	7 965 790
1-2 years	6 575 996
2-3 years	6 386 972
3-4 years	3 844 579
4-5 years	128 315
More than 5 years	-
Total undiscounted lease liabilities 31. December 2023	24 901 651

The leases do not contain any restrictions on the Group's dividend policy or financing. The Group does not have significant residual value guarantees related to its leases to disclose.

Practical expedients applied

The Group also leases personal computers, IT equipment and machinery with contract terms of 1 to 3 years. The Group has elected to apply the practical expedient of low value assets for some of these leases and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur. The Group has also applied the practical expedient to not recognise lease liabilities and right-of-use assets for short-term leases, presented in the table above.

Variable lease payments

The group has no variable rate leases. Amounts expenses in the statement of income related low value leases are immaterial to these financial statements.

Extension options

The Group's lease of buildings has lease terms that vary from 1 years to 10 years, and several agreements involve a right of renewal which may be exercised during the last period of the lease terms. The Group assesses whether it is reasonably certain to exercise the renewal right at the commencement and at any changes in lease terms or conditions.

Purchase options

The Group leases machinery and equipment with lease terms of 3 to 5 years. Some of these contracts includes a right to purchase the assets at the end of the contract term. The Group assesses whether it is reasonably certain to exercise the renewal right at the commencement and at any changes in lease terms.



NOTE 14 – INTANGIBLE ASSETS

Development costs are capitalised in accordance with the accounting policy in Note 3. Basis for preparation and the capitalised amount less accumulated amortisation is presented in the statement of financial position as “Other intangible assets”. Initial recognition of the capitalised cost is based on management’s judgment that technological and financial feasibility has been confirmed. This confirmation normally occurs when a project has reached a defined milestone according to the project management model. In determining the amount to be capitalised, management makes a judgement as to the level of expected future cash flows from the product, the discount rate to be applied, and the expected product lifetime. Capitalised development costs mainly consist of personnel expenses, purchase of materials, as well as external services. Capitalised development costs are amortised over the products expected lifetime. The estimated useful lifetime is continuously evaluated. For the periods presented in this financial statement useful lifetime for capitalised development cost are 5 years except for development cost from previously business combinations where useful lifetime in some circumstances are 10 years.

2022

	Goodwill	Development cost	Licenses and patents	Total
Cost at 1 January 2022	63 475 961	402 150 355	189 775 870	655 402 186
Additions	-	26 661 206	1 999 985	28 661 191
Cost at 31 December 2022	63 475 961	428 811 561	191 775 855	684 063 377

Accumulated amortization and impairment at 1 January 2022		277 463 520	181 451 022	458 914 542
Amortization		35 796 126	2 860 217	38 656 343
Accumulated amortization and impairment at 31.12.2022		313 259 646	184 311 239	497 570 885

As at 31 December				
Cost	63 475 961	428 811 561	191 775 855	684 063 377
Acc. amortization and write downs	-	313 259 646	184 311 239	497 570 888
Carrying amount 31.12.2022	63 475 961	115 551 914	7 464 615	186 492 489

Depreciation plan - years	-	5-10	5-10	
Depreciation method		straight-line	straight-line	



Public subsidies: SkatteFUNN and The Research Council of Norway

Subsidiary Resman AS has received NOK 3 692 612 from The Research Council of Norway during the year of 2022. This amount is netted "Other intangible assets". The related project has not yet started depreciation.

2023

	Goodwill	Development cost	Licenses and patents	Total
Cost at 1 January 2023	63 475 960	428 811 561	191 775 855	684 063 377
Additions	-	16 078 489	2 399 377	18 477 866
Cost at 31 December 2023	63 475 960	444 890 050	194 175 231	702 541 245
Accumulated amortization and impairment at 1 January 2023		313 259 646	184 311 239	497 570 885
Amortization	-	36 251 763	2 472 444	38 724 207
Accumulated amortization and impairment at 31.12.2023	-	349 511 409	186 783 683	536 295 092
As at 31 December				
Cost	63 475 960	444 888 097	194 177 187	702 541 245
Accumulated amortization and write downs	-	349 511 409	186 783 683	536 295 092
Carrying amount 31.12.2023	63 475 960	95 376 688	7 393 499	166 246 148
Depreciation plan - years	-	5-10	5-10	
Depreciation method		straight-line	straight-line	

Public subsidies: SkatteFUNN and The Research Council of Norway

Subsidiary Resman AS has during the year 2023 received NOK 2 992 470 from The Research Council of Norway. This amount is netted "Other intangible assets". The related projects has not yet started depreciation.

Goodwill is not amortized, but tested yearly for impairment. Refer to note 15 for the impairment test of goodwill.

NOTE 15 – IMPAIRMENT TEST

Intangible assets with definite useful life consist of internally generated intangible assets arising from development costs and licenses for software. Useful life varies between five and ten years.

The group tests whether goodwill, other intangible assets with indefinite useful life and ongoing development projects has suffered any impairment on an annual basis. Resman Group is defined as CGU. For the 2023 reporting period, the recoverable amount of the cash-generating unit (CGU) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management.

Recognised goodwill in the Group amounts to NOK 63,48 million as of 31.12.2023. Goodwill has mainly derived from the acquisition of Resman AS (43,94 MNOK) and Restrack AS (19,54 MNOK). Restrack AS was merged with Resman AS in 2020. Goodwill is tested for impairment annually or when there are indications of impairment.

Key assumptions for value in use calculations

The calculation of value in use for the cash generating unit is most sensitive regarding the following assumptions:

Discount rate

The return requirement for total capital (WACC before tax) is set at 11,30 %. Risk -free interest rate is set at 3,87 % plus a risk premium of 6,7 %. The risk premium is based on observations of similar companies. Terminal growth is set at 2 per cent.

Gross margin

The gross margin is based on an average margin for the past three years before the beginning of the budget period.

Growth rate

The forecast period is 2024 - 2028 and Resman Group expects an annual growth of 15-20 % for core products, and a doubling every year from 2026 on new segments. Resman Group is continuously expanding its offerings and the data that is possible to extract from the main Resman Product (the Tracer systems). The relative share of service revenue is increasing, as new Tracer system are being run-in-hole every month. The Installed base (Tracer system run-in-hole) has exceeded 700 wells, and the service revenue from these and new Tracer systems, together with expected strong Energy market going forward, is giving the ground for the management's expectations for significant growth for the next years. The terminal growth rate for revenue is set at 2 % for the group.

Sensitivity

Managements analysis of sensitivity related to the main elements in the impairment test shows that no reasonable change in assumptions will lead to an impairment of goodwill and intangible assets. An increase of WACC by 2 % will reduce the headroom by 23 %. On the other hand a 2 % decrease in WACC will increase the headroom by 36 %.

NOTE 16 – FINANCIAL INSTRUMENTS - FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the future cash flows will fluctuate because of changes in market prices. Market risk includes interest risk and currency risk. Financial instruments affected by market risk include loans and borrowings deposits and debt.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's main interest rate risk arises from bank overdrafts, which expose the group to cash flow interest rate risk. At year end all bank overdrafts agreements are using NIBOR. The amounts are carried at amortised cost.

Foreign currency risk

The Group manages its foreign currency risk by hedging transactions that have significant currency associated risk. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to fulfil its financial obligation as they fall due. The Groups approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups reputation.

In 2021 two pledged borrowing facilities of NOK 100 million each were entered into between Resman Holding 2 AS and Sparebank 1 SR-Bank. One of the facilities is a 3 year arrangement and the other a 6 year arrangement where the facility limit is gradually reduced to zero. The facility was in 2023 moved to Resman AS and consists of one NOK 200 million borrowing facility with a 3 year duration.



The table below sets out the maturity profile of the Groups for financial liabilities based on contractual undiscounted payments. When a counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which the entity can be required to pay. The expected interest is calculated based on the duration of the interest bearing bank loan, which is valid until June 2025.

31.12.2022	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Financial liabilities (non-derivatives)						
Bank loan	-	81 316 876	-	-	-	81 316 876
Trade and other payables	22 304 828	-	-	-	-	22 304 828
Liability to related party	42 423 656	-	-	-	-	42 423 656
Expected interest	4 809 496	5 093 256	-	-	-	9 902 752
Lease liabilities	8 444 508	5 922 981	4 943 805	4 756 564	2 918 459	26 986 317
Total	77 982 488	92 333 113	4 943 805	4 756 564	2 918 459	182 934 429

31.12.2023	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Financial liabilities (non-derivatives)						
Bank loan	-	102 901 645	-	-	-	102 901 645
Trade and other payables	29 618 868	-	-	-	-	29 618 868
Liability to related party	-	-	42 423 656	-	-	42 423 656
Expected interest	6 675 125	7 154 399	-	-	-	13 829 524
Lease liabilities	7 965 790	6 575 996	6 386 972	3 844 579	128 315	24 901 651
Total	44 259 783	116 632 040	48 810 628	3 844 579	128 315	213 675 343

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, derivative assets and financial institutions and account receivables.

The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and credit risk related to customers in the oil and gas industries where Resman operates are considered low. The credit risk of derivative assets is considered low as these contracts are with a bank with an Aa3 credit rating.

Provisions for losses are based on individual assessment of each item and customer. Expected loss in categories without any provisions made assumes that there are not risk of any material losses. Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix.



Trade receivables						
Days past due						
31.12.2022	Not due	1-30 days	30-60 days	61-90 days	>91 days	Total
Outstanding trade receivables	46 625 356	4 533 803	8 207 118	2 342 963	10 395 284	72 104 525

Trade receivables						
Days past due						
31.12.2023	Not due	1-30 days	30-60 days	61-90 days	>91 days	Total
Outstanding trade receivables	42 784 630	21 240 932	6 132 252	5 141 563	2 138 287	77 437 665

Reconciliation of change in financing activities - cash and non-cash transactions

	2023			2022		
	2023	2022	Change	2022	2021	Change
Borrowings	102 901 645	81 316 876	21 584 769	81 316 876	54 656 442	26 660 434
Lease liabilities	23 260 761	23 955 233	(694 471)	23 955 233	26 778 864	(2 823 631)
Liability to related party	42 423 656	42 423 656	-	42 423 656	42 423 656	-
Other non-current liabilities	-	-	-	-	3 378	(3 378)
Total	168 586 062	147 695 764	20 890 298	147 695 764	123 862 340	23 833 424

Non-cash-transactions

	2023	2022
New leasing liabilities	7 794 020	4 777 670
Currency effect leasing liabilities	(3 131)	26 406
Amortized establishment fee	133 333	133 333
Total non-cash transactions	7 924 222	4 937 409

Cash-transactions

	2023	2022
Proceeds from borrowings	21 451 436	26 523 702
Payment of borrowings	-	-
Payment of lease liabilities	(8 485 359)	(7 627 687)
Total cash transactions	12 966 077	18 896 015

Total non-cash and cash transactions	20 890 298	23 833 424
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NOTE 17 – CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

All financial assets and liabilities except Derivatives are at amortised cost.

Derivatives

The Group enters forward foreign currency contracts to reduce the foreign exchange risk relating to future sales revenues deriving from customer contracts denominated in foreign currencies.

At year end 2023 subsidiary Resman AS had six active forward foreign currency contracts for sale of USD 500 000 each.

The Group does not apply hedge accounting and changes in fair value of forward foreign exchange contracts are recorded as foreign exchange gains / losses in the income statement as financial item. The derivative assets are presented in the table below:

Asset	2023	2022
Forward currency contracts in USD	1 842 300	-
Total fair value	1 842 300	-

The contracts will be realized as shown in the table below:

Amount USD sold	Amount NOK received	Maturity date	FV Level
500 000	5 415 700	31.01.2024	2
500 000	5 335 000	29.02.2024	2
500 000	5 330 250	29.03.2024	2
500 000	5 376 750	30.04.2024	2
500 000	5 439 300	31.05.2024	2
500 000	5 462 500	28.06.2024	2



NOTE 18 – INVENTORIES

	2023	2022
Tracer, at manufacturing cost	39 846 287	28 639 662
Tracer raw materials, at cost	6 950 689	5 001 163
Hardware, at cost	14 946 433	15 825 230
Total	61 743 409	49 466 055

Inventories mainly consists of materials used to manufacture RESMAN Tracer Systems.

Tracers are measured at manufacturing cost, tracer raw materials and hardware such as carriers are measured at cost.

The parent company do not hold any inventory at any of the balance sheet dates.

Inventories have been pledged for non-current debts, see note 22.

A write-down of MNOK 0,9 related to obsolete inventory is recognized at 31.12.2023.

NOTE 19 – OTHER CURRENT ASSETS

	2023	2022
Pre-paid costs	6 569 039	3 728 976
VAT receivable	2 520 468	1 617 615
Receivable government grants	3 587 844	4 750 000
Other current assets	-	1 238 313
Total other current assets	12 677 351	11 334 903



NOTE 20 – CASH AND CASH EQUIVALENTS

	Group	
	2023	2022
Cash	17 100 195	21 632 034
Short-term bank deposits	-	-
Cash and cash equivalents in the balance sheet	17 100 195	21 632 034

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2023	2022
	Cash at banks and on hand	12 011 778
Restricted bank deposits for tax withholdings	2 961 624	3 136 369
Deposits	2 126 793	2 092 746
Cash and cash equivalents	17 100 195	21 632 034

	Parent company	
	2023	2022
Cash	7 163 005	7 886 330
Short-term bank deposits	-	-
Cash and cash equivalents in the balance sheet	7 163 005	7 886 330

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2023	2022
	Cash at banks and on hand	7 163 005
Cash and cash equivalents	7 163 005	7 886 330



NOTE 21 – SHARE CAPITAL, SHAREHOLDER INFORMATION AND DIVIDEND

Class	Nominal value	Voting rights per share	2023	2022
A - shares	1	1	3 120 270	3 120 270
B1 - shares	1	1	3 844 010	3 844 010
B2 - shares	1	1	1 350 600	1 350 600
C - shares	1	1	6 368 885	6 368 885
Total number of shares			14 683 765	14 683 765

The shares within each share class are equal. The A-shares are ordinary shares. B- and C-shares are preference shares and is entitled to annual preferential dividend. The C-shares has a preferential right over B2 and B2 has a preferential right over B1. When C-shares, B2-shares and B1-shares have no further right to distributions all remaining distributions shall be for the benefit of the A-shares.

All issued shares have equal voting rights, but Cidron has according to the shareholders agreement been given the power of attorney to represent all shareholders at the general meeting.

Changes to share capital and premium

Number of shares

	2023	2022
Ordinary shares		
Issued and fully paid 1 January	3 120 270	3 120 270
Issued new share capital	-	-
Preference shares		
Issued and fully paid 1 January	11 563 495	11 563 495
Issued new share capital	-	-
31 December	14 683 765	14 683 765

Share capital

	2023	2022
Ordinary shares		
Issued and fully paid 1 January	3 120 270	3 120 270
Issued new share capital	-	-



Preference shares

Issued and fully paid 1 January	11 563 495	11 563 495
Issued new share capital	-	-
31 December	14 683 765	14 683 765

The company has 42 shareholders. The following shareholder owns more than 1 % of the shares in the company:

	Number of shares:	Ownership interest:
Cidron	13 856 063	94,36 %
Bonnie Powell	247 169	1,68 %
TimeTrader AS	219 293	1,49 %

Shareholders – CEO and The Board of Directors:

	Number of shares:	Ownership interest:	Comments:
TimeTrader AS	219 293	1.49 %	CEO and Chair - Gunnar Hviding
Cives AS	11 999	0.08 %	CEO and Chair - Gunnar Hviding
James Ure Nixon	37 703	0.26 %	Board member

NOTE 22 – BORROWINGS (LONG TERM DEBT)

This note provides information on the contractual terms of the Group's interest-bearing loans and borrowings. For more information on the Group's interest rate risk and foreign exchange risk see note 16.

	2023	2022
Secured		
Interest bearing credit facility	102 901 645	81 316 876
Other non-current liabilities	-	-
Total secured long-term debt	102 901 645	81 316 876
Unsecured		
Obligations under leases	15 458 944	15 913 243
Total unsecured long-term debt	15 458 944	15 913 243
Total long-term debt	118 360 589	97 230 119

Interest bearing credit facility

Total credit limit on the credit facility is NOK 200 million. The interest rate varies between different currencies with an average of 6 % at 31st December 2023. The facility is secured by the Group's inventory, accounts receivable and property, plant and equipment respectively limited to NOK 100 million each. The carrying amount of assets pledged as collateral are as follows:

	2023	2022
Property, plant and equipment	8 783 019	7 269 162
Inventory	61 743 409	49 466 055
Trade receivables	77 437 665	66 592 658
Total	147 964 093	123 327 875

The facility has been recognised at amortised cost by using the effective interest rate method.

Resman has complied with the financial banking covenants of its borrowing facilities at year end 2023.

Financial Banking Covenants as of 31 December 2023:

- Net Debt / EBITDA = 1,5 (Requirement < 4,0)
- Total current assets / Short Term Liabilities = 3,5 (Requirement > 1,25)



NOTE 23- PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFITS

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

The company's pension arrangements fulfil the requirements of the law.

Defined contribution plan

The Group's companies have defined contribution plans in accordance with local laws that amounts to between 5 % and 8 % of the salary.

Contribution is expensed when it is accrued. As of 31.12.2023 there were 59 members covered by the scheme. The contributions recognised as expenses equaled TNOK 5 372 and TNOK 4 917 in 2023 and 2022 respectively.



NOTE 24 – ACCOUNT PAYABLES AND OTHER CURRENT LIABILITIES

	2023	2022
Trade payables	29 618 868	22 304 828
Other current liabilities	33 300 567	13 319 794
Total	62 919 435	35 624 622

Trade payables are non-interest bearing and are normally settled on 30-day terms. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Specification of other current liabilities

	2023	2022
Salaries and holiday pay	18 682 792	9 372 758
Accrued expenses	10 563 162	3 504 919
Other current liabilities	4 054 614	442 117
Total	33 300 567	13 319 794

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Gunnar Hviding

70fe884d-04b5-4eca-b7dd-6a205ecb08da - 2024-06-20 12:17:21 UTC +03:00

BankID - 9975f83d-f98a-4f09-b241-c421aa88ecf8 - NO

Thomas Mejdell

5b19f3ac-56e7-4628-9f84-4380f58730b6 - 2024-06-20 12:40:26 UTC +03:00

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huoltaja/edunvalvoja

ställningsfullmakt
firmateckningsrätt
förvaltare

autoritet til å signere
representant
foresatte/verge

myndighed til at underskrive
repræsentant
frihedsberøvende

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